

ASSEMBLY BILL

No. 2901

Introduced by Committee on Jobs, Economic Development, and the Economy (Assembly Members Eduardo Garcia (Chair), Brough, Brown, Chau, Chu, Gipson, Irwin, and Mathis)

March 3, 2016

An act to amend Sections 17059.2 and 23689 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2901, as introduced, Committee on Jobs, Economic Development, and the Economy. Income taxation: credits: California Competes Tax Credit Committee: GO-Biz.

Existing law allows a credit against the taxes imposed under the Corporation Tax Law and the Personal Income Tax Law for each taxable year beginning on or after January 1, 2014, and before January 1, 2025, in an amount as provided in a written agreement between the Governor's Office of Business and Economic Development and the taxpayer, agreed upon by the California Competes Tax Credit Committee, and based on specified factors, including the number of jobs the taxpayer will create or retain in the state and the amount of investment in the state by the taxpayer. Existing law requires the Governor's Office of Business and Economic Development to post on its Internet Web Site specified information, including the name of each taxpayer allocated a credit, the estimated number of jobs created or retained and the amount of investment by the taxpayer, the amount of credit allocated to the taxpayer, and, if applicable, the amount of credit recaptured from the taxpayer.

This bill would require the Governor's Office of Business and Economic Development to, in addition to the above-described information, post on its Internet Web site the city and county where the jobs created and investments made are located, whether the census tract in which the jobs will be created or the investments will be made is an area of high unemployment or poverty, as provided, and whether the taxpayer is considered a small business, as provided. The bill would also require the Governor's Office of Business and Economic Development to annually provide a report of aggregate-level data to the Legislature on the information posted on its Internet Web site and the number of total credits applied for and the number of credit applications rejected during the calendar year.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 17059.2 of the Revenue and Taxation
2 Code is amended to read:
3 17059.2. (a) (1) For each taxable year beginning on and after
4 January 1, 2014, and before January 1, 2025, there shall be allowed
5 as a credit against the "net tax," as defined in Section 17039, an
6 amount as determined by the committee pursuant to paragraph (2)
7 and approved pursuant to Section 18410.2.
8 (2) The credit under this section shall be allocated by GO-Biz
9 with respect to the 2013–14 fiscal year through and including the
10 2017–18 fiscal year. The amount of credit allocated to a taxpayer
11 with respect to a fiscal year pursuant to this section shall be as set
12 forth in a written agreement between GO-Biz and the taxpayer and
13 shall be based on the following factors:
14 (A) The number of jobs the taxpayer will create or retain in this
15 state.
16 (B) The compensation paid or proposed to be paid by the
17 taxpayer to its employees, including wages and fringe benefits.
18 (C) The amount of investment in this state by the taxpayer.
19 (D) The extent of unemployment or poverty in the area
20 according to the United States Census in which the taxpayer's
21 project or business is proposed or located.

1 (E) The incentives available to the taxpayer in this state,
2 including incentives from the state, local government, and other
3 entities.

4 (F) The incentives available to the taxpayer in other states.

5 (G) The duration of the proposed project and the duration the
6 taxpayer commits to remain in this state.

7 (H) The overall economic impact in this state of the taxpayer's
8 project or business.

9 (I) The strategic importance of the taxpayer's project or business
10 to the state, region, or locality.

11 (J) The opportunity for future growth and expansion in this state
12 by the taxpayer's business.

13 (K) The extent to which the anticipated benefit to the state
14 exceeds the projected benefit to the taxpayer from the tax credit.

15 (3) The written agreement entered into pursuant to paragraph
16 (2) shall include:

17 (A) Terms and conditions that include the taxable year or years
18 for which the credit allocated shall be allowed, a minimum
19 compensation level, and a minimum job retention period.

20 (B) Provisions indicating whether the credit is to be allocated
21 in full upon approval or in increments based on mutually agreed
22 upon milestones when satisfactorily met by the taxpayer.

23 (C) Provisions that allow the committee to recapture the credit,
24 in whole or in part, if the taxpayer fails to fulfill the terms and
25 conditions of the written agreement.

26 (b) For purposes of this section:

27 (1) "Committee" means the California Competes Tax Credit
28 Committee established pursuant to Section 18410.2.

29 (2) "GO-Biz" means the Governor's Office of Business and
30 Economic Development.

31 (c) For purposes of this section, GO-Biz shall do the following:

32 (1) Give priority to a taxpayer whose project or business is
33 located or proposed to be located in an area of high unemployment
34 or poverty.

35 (2) Negotiate with a taxpayer the terms and conditions of
36 proposed written agreements that provide the credit allowed
37 pursuant to this section to a taxpayer.

38 (3) Provide the negotiated written agreement to the committee
39 for its approval pursuant to Section 18410.2.

1 (4) Inform the Franchise Tax Board of the terms and conditions
2 of the written agreement upon approval of the written agreement
3 by the committee.

4 (5) Inform the Franchise Tax Board of any recapture, in whole
5 or in part, of a previously allocated credit upon approval of the
6 recapture by the committee.

7 (6) Post on its Internet Web site all of the following:

8 (A) The name of each taxpayer allocated a credit pursuant to
9 this section.

10 (B) The estimated amount of the investment by each taxpayer.

11 (C) The estimated number of jobs created or retained.

12 (D) The amount of the credit allocated to the taxpayer.

13 (E) The amount of the credit recaptured from the taxpayer, if
14 applicable.

15 (F) *The city and county where the jobs created and the*
16 *investments made are located, which may be more than one city*
17 *or county.*

18 (G) *Whether the census tract in which the jobs will be created*
19 *or the investments will be made is an area of high unemployment*
20 *or poverty, as provided in paragraph (1).*

21 (H) *Whether the taxpayer is considered a small business*
22 *pursuant to paragraph (3) of subdivision (g).*

23 (d) For purposes of this section, the Franchise Tax Board shall
24 do all of the following:

25 (1) (A) Except as provided in subparagraph (B), review the
26 books and records of all taxpayers allocated a credit pursuant to
27 this section to ensure compliance with the terms and conditions
28 of the written agreement between the taxpayer and GO-Biz.

29 (B) In the case of a taxpayer that is a “small business,” as
30 defined in Section 17053.73, review the books and records of the
31 taxpayer allocated a credit pursuant to this section to ensure
32 compliance with the terms and conditions of the written agreement
33 between the taxpayer and GO-Biz when, in the sole discretion of
34 the Franchise Tax Board, a review of those books and records is
35 appropriate or necessary in the best interests of the state.

36 (2) Notwithstanding Section 19542:

37 (A) Notify GO-Biz of a possible breach of the written agreement
38 by a taxpayer and provide detailed information regarding the basis
39 for that determination.

1 (B) Provide information to GO-Biz with respect to whether a
2 taxpayer is a “small business,” as defined in Section 17053.73.

3 (e) In the case where the credit allowed under this section
4 exceeds the “net tax,” as defined in Section 17039, for a taxable
5 year, the excess credit may be carried over to reduce the “net tax”
6 in the following taxable year, and succeeding five taxable years,
7 if necessary, until the credit has been exhausted.

8 (f) Any recapture, in whole or in part, of a credit approved by
9 the committee pursuant to Section 18410.2 shall be treated as a
10 mathematical error appearing on the return. Any amount of tax
11 resulting from that recapture shall be assessed by the Franchise
12 Tax Board in the same manner as provided by Section 19051. The
13 amount of tax resulting from the recapture shall be added to the
14 tax otherwise due by the taxpayer for the taxable year in which
15 the committee’s recapture determination occurred.

16 (g) (1) The aggregate amount of credit that may be allocated
17 in any fiscal year pursuant to this section and Section 23689 shall
18 be an amount equal to the sum of subparagraphs (A), (B), and (C),
19 less the amount specified in subparagraphs (D) and (E):

20 (A) Thirty million dollars (\$30,000,000) for the 2013–14 fiscal
21 year, one hundred fifty million dollars (\$150,000,000) for the
22 2014–15 fiscal year, and two hundred million dollars
23 (\$200,000,000) for each fiscal year from 2015–16 to 2017–18,
24 inclusive.

25 (B) The unallocated credit amount, if any, from the preceding
26 fiscal year.

27 (C) The amount of any previously allocated credits that have
28 been recaptured.

29 (D) The amount estimated by the Director of Finance, in
30 consultation with the Franchise Tax Board and the State Board of
31 Equalization, to be necessary to limit the aggregation of the
32 estimated amount of exemptions claimed pursuant to Section
33 6377.1 and of the amounts estimated to be claimed pursuant to
34 this section and Sections 17053.73, 23626, and 23689 to no more
35 than seven hundred fifty million dollars (\$750,000,000) for either
36 the current fiscal year or the next fiscal year.

37 (i) The Director of Finance shall notify the Chairperson of the
38 Joint Legislative Budget Committee of the estimated annual
39 allocation authorized by this paragraph. Any allocation pursuant
40 to these provisions shall be made no sooner than 30 days after

1 written notification has been provided to the Chairperson of the
2 Joint Legislative Budget Committee and the chairpersons of the
3 committees of each house of the Legislature that consider
4 appropriation, or not sooner than whatever lesser time the
5 Chairperson of the Joint Legislative Budget Committee, or his or
6 her designee, may determine.

7 (ii) In no event shall the amount estimated in this subparagraph
8 be less than zero dollars (\$0).

9 (E) (i) For the 2015–16 fiscal year and each fiscal year
10 thereafter, the amount of credit estimated by the Director of Finance
11 to be allowed to all qualified taxpayers for that fiscal year pursuant
12 to subparagraph (A) or subparagraph (B) of paragraph (1) of
13 subdivision (c) of Section 23636.

14 (ii) If the amount available per fiscal year pursuant to this section
15 and Section 23689 is less than the aggregate amount of credit
16 estimated by the Director of Finance to be allowed to qualified
17 taxpayers pursuant to subparagraph (A) or subparagraph (B) of
18 paragraph (1) of subdivision (c) of Section 23636, the aggregate
19 amount allowed pursuant to Section 23636 shall not be reduced
20 and, in addition to the reduction required by clause (i), the
21 aggregate amount of credit that may be allocated pursuant to this
22 section and Section 23689 for the next fiscal year shall be reduced
23 by the amount of that deficit.

24 (iii) It is the intent of the Legislature that the reductions specified
25 in this subparagraph of the aggregate amount of credit that may
26 be allocated pursuant to this section and Section 23689 shall
27 continue if the repeal dates of the credits allowed by this section
28 and Section 23689 are removed or extended.

29 (2) (A) In addition to the other amounts determined pursuant
30 to paragraph (1), the Director of Finance may increase the
31 aggregate amount of credit that may be allocated pursuant to this
32 section and Section 23689 by up to twenty-five million dollars
33 (\$25,000,000) per fiscal year through the 2017–18 fiscal year. The
34 amount of any increase made pursuant to this paragraph, when
35 combined with any increase made pursuant to paragraph (2) of
36 subdivision (g) of Section 23689, shall not exceed twenty-five
37 million dollars (\$25,000,000) per fiscal year through the 2017–18
38 fiscal year.

39 (B) It is the intent of the Legislature that the Director of Finance
40 increase the aggregate amount under subparagraph (A) in order to

1 mitigate the reduction of the amount available due to the credit
2 allowed to all qualified taxpayers pursuant to subparagraph (A) or
3 (B) of paragraph (1) of subdivision (c) of Section 23636.

4 (3) Each fiscal year, 25 percent of the aggregate amount of the
5 credit that may be allocated pursuant to this section and Section
6 23689 shall be reserved for small business, as defined in Section
7 17053.73 or 23626.

8 (4) Each fiscal year, no more than 20 percent of the aggregate
9 amount of the credit that may be allocated pursuant to this section
10 shall be allocated to any one taxpayer.

11 (h) GO-Biz may prescribe rules and regulations as necessary to
12 carry out the purposes of this section. Any rule or regulation
13 prescribed pursuant to this section may be by adoption of an
14 emergency regulation in accordance with Chapter 3.5 (commencing
15 with Section 11340) of Part 1 of Division 3 of Title 2 of the
16 Government Code.

17 (i) A written agreement between GO-Biz and a taxpayer with
18 respect to the credit authorized by this section shall comply with
19 existing law on the date the agreement is executed.

20 (j) (1) Upon the effective date of this section, the Department
21 of Finance shall estimate the total dollar amount of credits that
22 will be claimed under this section with respect to each fiscal year
23 from the 2013–14 fiscal year to the 2024–25 fiscal year, inclusive.

24 (2) The Franchise Tax Board shall annually provide to the Joint
25 Legislative Budget Committee, by no later than March 1, a report
26 of the total dollar amount of the credits claimed under this section
27 with respect to the relevant fiscal year. The report shall compare
28 the total dollar amount of credits claimed under this section with
29 respect to that fiscal year with the department's estimate with
30 respect to that same fiscal year. If the total dollar amount of credits
31 claimed for the fiscal year is less than the estimate for that fiscal
32 year, the report shall identify options for increasing annual claims
33 of the credit so as to meet estimated amounts.

34 (k) (1) *GO-Biz shall annually provide to the Legislature, by no*
35 *later than March 1, a report of aggregate level data on both of the*
36 *following:*

37 (A) *The information posted on GO-Biz's Internet Web site*
38 *pursuant to paragraph (6) of subdivision (c). The data shall include*
39 *the amount of credits, jobs created, and investments made in all*
40 *of the following:*

1 (i) *Each city and county.*

2 (ii) *Each census tract in which the jobs will be created or the*
3 *investments will be made that is an area of high unemployment or*
4 *poverty, as provided in paragraph (1) of subdivision (c).*

5 (iii) *Each entity that is considered a small business pursuant to*
6 *paragraph (3) of subdivision (g).*

7 (B) *The number of total credits applied for and the number of*
8 *credit applications rejected during the calendar year in total and*
9 *by geographic region, as determined by GO-Biz.*

10 (2) *A report submitted pursuant to paragraph (1) shall be*
11 *submitted in compliance with Section 9795 of the Government*
12 *Code.*

13 ~~(k)~~

14 (l) *This section is repealed on December 1, 2025.*

15 SEC. 2. Section 23689 of the Revenue and Taxation Code is
16 amended to read:

17 23689. (a) (1) For each taxable year beginning on and after
18 January 1, 2014, and before January 1, 2025, there shall be allowed
19 as a credit against the “tax,” as defined in Section 23036, an amount
20 as determined by the committee pursuant to paragraph (2) and
21 approved pursuant to Section 18410.2.

22 (2) The credit under this section shall be allocated by GO-Biz
23 with respect to the 2013–14 fiscal year through and including the
24 2017–18 fiscal year. The amount of credit allocated to a taxpayer
25 with respect to a fiscal year pursuant to this section shall be as set
26 forth in a written agreement between GO-Biz and the taxpayer and
27 shall be based on the following factors:

28 (A) The number of jobs the taxpayer will create or retain in this
29 state.

30 (B) The compensation paid or proposed to be paid by the
31 taxpayer to its employees, including wages and fringe benefits.

32 (C) The amount of investment in this state by the taxpayer.

33 (D) The extent of unemployment or poverty in the area
34 according to the United States Census in which the taxpayer’s
35 project or business is proposed or located.

36 (E) The incentives available to the taxpayer in this state,
37 including incentives from the state, local government, and other
38 entities.

39 (F) The incentives available to the taxpayer in other states.

1 (G) The duration of the proposed project and the duration the
2 taxpayer commits to remain in this state.

3 (H) The overall economic impact in this state of the taxpayer's
4 project or business.

5 (I) The strategic importance of the taxpayer's project or business
6 to the state, region, or locality.

7 (J) The opportunity for future growth and expansion in this state
8 by the taxpayer's business.

9 (K) The extent to which the anticipated benefit to the state
10 exceeds the projected benefit to the taxpayer from the tax credit.

11 (3) The written agreement entered into pursuant to paragraph
12 (2) shall include:

13 (A) Terms and conditions that include the taxable year or years
14 for which the credit allocated shall be allowed, a minimum
15 compensation level, and a minimum job retention period.

16 (B) Provisions indicating whether the credit is to be allocated
17 in full upon approval or in increments based on mutually agreed
18 upon milestones when satisfactorily met by the taxpayer.

19 (C) Provisions that allow the committee to recapture the credit,
20 in whole or in part, if the taxpayer fails to fulfill the terms and
21 conditions of the written agreement.

22 (b) For purposes of this section:

23 (1) "Committee" means the California Competes Tax Credit
24 Committee established pursuant to Section 18410.2.

25 (2) "GO-Biz" means the Governor's Office of Business and
26 Economic Development.

27 (c) For purposes of this section, GO-Biz shall do the following:

28 (1) Give priority to a taxpayer whose project or business is
29 located or proposed to be located in an area of high unemployment
30 or poverty.

31 (2) Negotiate with a taxpayer the terms and conditions of
32 proposed written agreements that provide the credit allowed
33 pursuant to this section to a taxpayer.

34 (3) Provide the negotiated written agreement to the committee
35 for its approval pursuant to Section 18410.2.

36 (4) Inform the Franchise Tax Board of the terms and conditions
37 of the written agreement upon approval of the written agreement
38 by the committee.

1 (5) Inform the Franchise Tax Board of any recapture, in whole
2 or in part, of a previously allocated credit upon approval of the
3 recapture by the committee.

4 (6) Post on its Internet Web site all of the following:

5 (A) The name of each taxpayer allocated a credit pursuant to
6 this section.

7 (B) The estimated amount of the investment by each taxpayer.

8 (C) The estimated number of jobs created or retained.

9 (D) The amount of the credit allocated to the taxpayer.

10 (E) The amount of the credit recaptured from the taxpayer, if
11 applicable.

12 (F) *The city and county where the jobs created and the*
13 *investments made are located, which may be more than one city*
14 *or county.*

15 (G) *Whether the census tract in which the jobs will be created*
16 *or the investments will be made is an area of high unemployment*
17 *or poverty, as provided in paragraph (1).*

18 (H) *Whether the taxpayer is considered a small business*
19 *pursuant to paragraph (3) of subdivision (g).*

20 (d) For purposes of this section, the Franchise Tax Board shall
21 do all of the following:

22 (1) (A) Except as provided in subparagraph (B), review the
23 books and records of all taxpayers allocated a credit pursuant to
24 this section to ensure compliance with the terms and conditions
25 of the written agreement between the taxpayer and GO-Biz.

26 (B) In the case of a taxpayer that is a “small business,” as
27 defined in Section 23626, review the books and records of the
28 taxpayer allocated a credit pursuant to this section to ensure
29 compliance with the terms and conditions of the written agreement
30 between the taxpayer and GO-Biz when, in the sole discretion of
31 the Franchise Tax Board, a review of those books and records is
32 appropriate or necessary in the best interests of the state.

33 (2) Notwithstanding Section 19542:

34 (A) Notify GO-Biz of a possible breach of the written agreement
35 by a taxpayer and provide detailed information regarding the basis
36 for that determination.

37 (B) Provide information to GO-Biz with respect to whether a
38 taxpayer is a “small business,” as defined in Section 23626.

39 (e) In the case where the credit allowed under this section
40 exceeds the “tax,” as defined in Section 23036, for a taxable year,

1 the excess credit may be carried over to reduce the “tax” in the
2 following taxable year, and succeeding five taxable years, if
3 necessary, until the credit has been exhausted.

4 (f) Any recapture, in whole or in part, of a credit approved by
5 the committee pursuant to Section 18410.2 shall be treated as a
6 mathematical error appearing on the return. Any amount of tax
7 resulting from that recapture shall be assessed by the Franchise
8 Tax Board in the same manner as provided by Section 19051. The
9 amount of tax resulting from the recapture shall be added to the
10 tax otherwise due by the taxpayer for the taxable year in which
11 the committee’s recapture determination occurred.

12 (g) (1) The aggregate amount of credit that may be allocated
13 in any fiscal year pursuant to this section and Section 17059.2 shall
14 be an amount equal to the sum of subparagraphs (A), (B), and (C),
15 less the amount specified in subparagraphs (D) and (E):

16 (A) Thirty million dollars (\$30,000,000) for the 2013–14 fiscal
17 year, one hundred fifty million dollars (\$150,000,000) for the
18 2014–15 fiscal year, and two hundred million dollars
19 (\$200,000,000) for each fiscal year from 2015–16 to 2017–18,
20 inclusive.

21 (B) The unallocated credit amount, if any, from the preceding
22 fiscal year.

23 (C) The amount of any previously allocated credits that have
24 been recaptured.

25 (D) The amount estimated by the Director of Finance, in
26 consultation with the Franchise Tax Board and the State Board of
27 Equalization, to be necessary to limit the aggregation of the
28 estimated amount of exemptions claimed pursuant to Section
29 6377.1 and of the amounts estimated to be claimed pursuant to
30 this section and Sections 17053.73, 17059.2, and 23626 to no more
31 than seven hundred fifty million dollars (\$750,000,000) for either
32 the current fiscal year or the next fiscal year.

33 (i) The Director of Finance shall notify the Chairperson of the
34 Joint Legislative Budget Committee of the estimated annual
35 allocation authorized by this paragraph. Any allocation pursuant
36 to these provisions shall be made no sooner than 30 days after
37 written notification has been provided to the Chairperson of the
38 Joint Legislative Budget Committee and the chairpersons of the
39 committees of each house of the Legislature that consider
40 appropriation, or not sooner than whatever lesser time the

1 Chairperson of the Joint Legislative Budget Committee, or his or
2 her designee, may determine.

3 (ii) In no event shall the amount estimated in this subparagraph
4 be less than zero dollars (\$0).

5 (E) (i) For the 2015–16 fiscal year and each fiscal year
6 thereafter, the amount of credit estimated by the Director of Finance
7 to be allowed to all qualified taxpayers for that fiscal year pursuant
8 to subparagraph (A) or subparagraph (B) of paragraph (1) of
9 subdivision (c) of Section 23636.

10 (ii) If the amount available per fiscal year pursuant to this section
11 and Section 17059.2 is less than the aggregate amount of credit
12 estimated by the Director of Finance to be allowed to qualified
13 taxpayers pursuant to subparagraph (A) or subparagraph (B) of
14 paragraph (1) of subdivision (c) of Section 23636, the aggregate
15 amount allowed pursuant to Section 23636 shall not be reduced
16 and, in addition to the reduction required by clause (i), the
17 aggregate amount of credit that may be allocated pursuant to this
18 section and Section 17059.2 for the next fiscal year shall be reduced
19 by the amount of that deficit.

20 (iii) It is the intent of the Legislature that the reductions specified
21 in this subparagraph of the aggregate amount of credit that may
22 be allocated pursuant to this section and Section 17059.2 shall
23 continue if the repeal dates of the credits allowed by this section
24 and Section 17059.2 are removed or extended.

25 (2) (A) In addition to the other amounts determined pursuant
26 to paragraph (1), the Director of Finance may increase the
27 aggregate amount of credit that may be allocated pursuant to this
28 section and Section 17059.2 by up to twenty-five million dollars
29 (\$25,000,000) per fiscal year through the 2017–18 fiscal year. The
30 amount of any increase made pursuant to this paragraph, when
31 combined with any increase made pursuant to paragraph (2) of
32 subdivision (g) of Section 17059.2, shall not exceed twenty-five
33 million dollars (\$25,000,000) per fiscal year through the 2017–18
34 fiscal year.

35 (B) It is the intent of the Legislature that the Director of Finance
36 increase the aggregate amount under subparagraph (A) in order to
37 mitigate the reduction of the amount available due to the credit
38 allowed to all qualified taxpayers pursuant to subparagraph (A) or
39 (B) of paragraph (1) of subdivision (c) of Section 23636.

1 (3) Each fiscal year, 25 percent of the aggregate amount of the
2 credit that may be allocated pursuant to this section and Section
3 17059.2 shall be reserved for “small business,” as defined in
4 Section 17053.73 or 23626.

5 (4) Each fiscal year, no more than 20 percent of the aggregate
6 amount of the credit that may be allocated pursuant to this section
7 shall be allocated to any one taxpayer.

8 (h) GO-Biz may prescribe rules and regulations as necessary to
9 carry out the purposes of this section. Any rule or regulation
10 prescribed pursuant to this section may be by adoption of an
11 emergency regulation in accordance with Chapter 3.5 (commencing
12 with Section 11340) of Part 1 of Division 3 of Title 2 of the
13 Government Code.

14 (i) (1) A written agreement between GO-Biz and a taxpayer
15 with respect to the credit authorized by this section shall not
16 restrict, broaden, or otherwise alter the ability of the taxpayer to
17 assign that credit or any portion thereof in accordance with Section
18 23663.

19 (2) A written agreement between GO-Biz and a taxpayer with
20 respect to the credit authorized by this section ~~must~~ shall comply
21 with existing law on the date the agreement is executed.

22 (j) (1) Upon the effective date of this section, the Department
23 of Finance shall estimate the total dollar amount of credits that
24 will be claimed under this section with respect to each fiscal year
25 from the 2013–14 fiscal year to the 2024–25 fiscal year, inclusive.

26 (2) The Franchise Tax Board shall annually provide to the Joint
27 Legislative Budget Committee, by no later than March 1, a report
28 of the total dollar amount of the credits claimed under this section
29 with respect to the relevant fiscal year. The report shall compare
30 the total dollar amount of credits claimed under this section with
31 respect to that fiscal year with the department’s estimate with
32 respect to that same fiscal year. If the total dollar amount of credits
33 claimed for the fiscal year is less than the estimate for that fiscal
34 year, the report shall identify options for increasing annual claims
35 of the credit so as to meet estimated amounts.

36 (k) (1) *GO-Biz shall annually provide to the Legislature, by no*
37 *later than March 1, a report of aggregate level data on both of the*
38 *following:*

39 (A) *The information posted on GO-Biz’s Internet Web site*
40 *pursuant to paragraph (6) of subdivision (c). The data shall include*

- 1 *the amount of credits, jobs created, and investments made in all*
2 *of the following:*
3 *(i) Each city and county.*
4 *(ii) Each census tract in which the jobs will be created or the*
5 *investments will be made that is an area of high unemployment or*
6 *poverty, as provided in paragraph (1) of subdivision (c).*
7 *(iii) Each entity that is considered a small business pursuant to*
8 *paragraph (3) of subdivision (g).*
9 *(B) The number of total credits applied for and the number of*
10 *credit applications rejected during the calendar year in total and*
11 *by geographic region, as determined by GO-Biz.*
12 *(2) A report submitted pursuant to paragraph (1) shall be*
13 *submitted in compliance with Section 9795 of the Government*
14 *Code.*
15 ~~(K)~~
16 *(l) This section is repealed on December 1, 2025.*